

Message Text

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ORIGIN SS-25

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EB/IFD/OIA - MR. STEBBING
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S/S: RGAMBLE

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P 060044Z APR 77
FM SECSTATE WASHDC
TO AMEMBASSY QUITO PRIORITY

S E C R E T STATE 076251

EXDIS
STADIS////////////////

E.O. 11652: XGDS-3,4

TAGS: EINV ENRG PFOR EC

SUBJECT: BRIBERY DEMANDED OF GULF OIL COMPANY

REF: QUITO 2120; 2189

1. CONTINUING DELAY IN SIGNING OF GULF CONVENIO AND
APPARENT INTRODUCTION BY GOE OFFICIALS OF NEW DEMANDS AND
IMPEDIMENTS CAN ONLY COMPLICATE PROSPECTS FOR REASONABLE
SETTLEMENT OF THIS OVERLY-PROTRACTED ISSUE.

2. LATEST COMPLICATION IS A BRIBERY DEMAND REPORTEDLY
PRESENTED TO GULF OFFICIALS IN THIS COUNTRY. DETAILS
AS SET FORTH IN MEMORANDUM DATED APRIL 4 ARE AS FOLLOWS:

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QUOTE: LAST WEEK, THURSDAY, MARCH 31, A CUBAN LAWYER,
MARIO LAMAR, WHO IS LICENSED TO PRACTICE IN FLORIDA, TOLD
RENE PELLEJA OF GULF'S LAW DEPARTMENT IN CORAL GABLES,
THAT HE REPRESENTED THE MINISTER OF NATURAL RESOURCES
SEMBLANTES AND A TOP GROUP OF MILITARY OFFICERS WHO WOULD
ARRANGE TO HAVE GULF'S PROBLEMS IN ECUADOR RESOLVED IF
GULF MADE A SUBSTANTIAL FINANCIAL CONTRIBUTION TO THE GROUP.

THIS TIME NO DOLLAR FIGURE WAS MENTIONED, BUT IT IS BELIEVED TO BE THE SAME AMOUNT PREVIOUSLY INDICATED OF \$2-3 MILLION.

THE FIRST BRIBE APPROACH OF \$2-3 MILLION WAS MADE LAST WEEK (MARCH 24) BY MAJOR VINCETE MATA, AN ECUADORIAN ARMY OFFICER, TO AN OFFICIAL OF THE BANKERS TRUST COMPANY IN MIAMI, JORGE ARGUELES (A FORMER GULF OFFICIAL). THE BRIBE REQUEST OF MAJOR MATA WAS REPRESENTED AS COMING DIRECTLY FROM MINISTER SEMBLANTES THROUGH THE WIVES OF SEMBLANTES AND MATA WHO ARE CLOSE PERSONAL FRIENDS.

THIS WEEK THE BRIBE REQUEST MADE BY MARIO LAMAR WAS ON BEHALF OF MINISTER SEMBLANTES AND A TOP GROUP OF MILITARY OFFICERS, FOR WHOM HE SAID HE WAS THE 'BAG MAN IN ALL MATTERS OF THIS KIND'. UNQUOTE

3. GULF HAS NO DESIRE NOR INTENT TO ENTERTAIN ANY SUCH DEMAND FOR ILLICIT PAYMENT. USG ATTITUDE TOWARD SUCH CORRUPT PRACTICES IS OF COURSE WELL KNOWN AND WE ARE APPALLED AT PROSPECT OF THIS BECOMING NEW FACTOR IN ALREADY TOO COMPLEX AND TOO LONG DELAYED GULF SETTLEMENT PROBLEM.

4. IN CONSIDERING HOW TO DEAL WITH THIS SITUATION, GULF TENDS TO DOUBT THAT IT CAN USEFULLY BE HANDLED WITH OR THROUGH ECUADOREAN AMBASSADOR IN WASHINGTON. HIGH-LEVEL CHARACTER OF THOSE REPORTEDLY OR CONCEIVABLY INVOLVED IN QUITO MIGHT UNDERSTANDABLY DISCOURAGE

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AMBASSADOR YCAZA FROM EFFECTIVELY ASSOCIATING HIMSELF WITH ANY REPRESENTATION TO GOE.

5. UNDER THE CIRCUMSTANCES, YOUR IDEAS AND RECOMMENDATION AS TO HOW BEST TO HANDLE THIS SITUATION WOULD BE APPRECIATED. DO YOU BELIEVE THAT A DIRECT APPROACH BY YOU TO ADMIRAL POVEDA OR ANY OTHER APPROPRIATE OFFICIAL OF GOE IS WARRANTED AND FEASIBLE? WE HAVE IN MIND, OF COURSE, AN APPROACH WHICH WOULD RELATE THIS MATTER TO OVER-ALL FABRIC OF USG-GOE RELATIONSHIP AND POINT OUT HOW INCONSISTENT THIS NEW DEVELOPMENT WOULD BE WITH THAT QUEST FOR BETTER AND MORE CONSTRUCTIVE RELATIONS TO WHICH GOE HAS SAID IT ATTACHES IMPORTANCE AND FOR WHICH IT ONLY RECENTLY DISPATCHED THE HIGH-LEVEL AYALA MISSION TO WASHINGTON.

6. YOUR EARLY REPLY WILL BE APPRECIATED TO ASSIST US AND GULF IN DETERMINING BEST COURSE OF ACTION.
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